

## **FACTSHEET**

**TITLE:** A Resolution requested by Mark Hunzeker on behalf of Developments Unlimited, declaring the North 56<sup>th</sup> Street and Arbor Road Redevelopment Area as blighted and substandard, pursuant to the Nebraska Community Development Law, as determined by the ***North 56<sup>th</sup> Street and Arbor Road Substandard and Blight Determination Study.***

**STAFF RECOMMENDATION:** A finding of blighted and substandard (**Miscellaneous No. 05016**).

**SPONSOR:** Planning Department

**BOARD/COMMITTEE:** Planning Commission  
Public Hearing: 09/28/05  
Administrative Action: 09/28/05

**RECOMMENDATION:** A finding of blighted and substandard (8-1: Krieser, Taylor, Larson, Strand, Carroll, Esseks, Sunderman and Carlson voting 'yes'; Pearson voting 'no').

### **FINDINGS OF FACT:**

1. This is a request to determine whether the North 56<sup>th</sup> Street and Arbor Road Redevelopment Area should or should not be declared substandard and blighted pursuant to Neb.Rev.Stat. § 18-2103(11). After an area is declared blighted and substandard, the City may proceed with the preparation and approval of a Redevelopment Plan. Redevelopment Plan activities may include utilizing Tax Increment Financing (TIF) from private development to pay for public infrastructure and improvements.
2. The North 56<sup>th</sup> Street and Arbor Road Redevelopment Area is generally bounded by North 70<sup>th</sup> Street on the east, North 40<sup>th</sup> Street on the west, either side of Interstate 80, between Bluff Road on the north and Salt Creek on the south, except the Bluff Road Landfill Facility.
3. The complete Blight and Substandard Study is being provided on cd-rom under separate cover to Council Members and a hard copy is being submitted to the City Clerk and the City Council Office.
4. The staff recommendation to find the area to be blighted and substandard is based upon the "Analysis" as set forth on p.3-7, concluding that the *North 56<sup>th</sup> Street and Arbor Road Redevelopment Area* qualifies as blighted and substandard within the definition of the Nebraska Community Development Law, as determined by the *North 56<sup>th</sup> Street and Arbor Road Substandard and Blight Determination Study*. The Study is consistent with the redevelopment and revitalization activities identified in the Comprehensive Plan.
5. The staff report notes that a proposed new residential addition, "Northbank Junction is located within the blight study area. City staff does not intend to include planned residential subdivisions in new growth areas within designated redevelopment areas in order to pay for internal improvements. Northbank Junction may not necessarily be included in a larger TIF district to generate revenues for infrastructure improvements to the larger commercial and industrial area."
6. The presentation by the Director of Economic Development is found on p.9-10; the discussion by the Planning Commission with the consultants who conducted the Study and prepared the report is found on p.10-12; the testimony by Mark Hunzeker, on behalf of the applicant, is found on p.12. There was also testimony in support by Bruce Bohrer on behalf of the Lincoln Chamber of Commerce (p.12). The record also consists of two letters in support from property owners in the proposed blighted area (p.18-19).
7. There was no testimony in opposition.
8. On September 28, 2005, the majority of the Planning Commission agreed with the staff recommendation and voted 8-1 to find the North 56<sup>th</sup> Street and Arbor Road Redevelopment Area to be blighted and substandard (Commissioner Pearson was the dissenting vote). See Minutes p.12-13.

**FACTSHEET PREPARED BY:** Jean L. Walker

**REVIEWED BY:** \_\_\_\_\_

**REFERENCE NUMBER:** FS\CC\2005\MISC.05016 Blight

**DATE:** October 10, 2005

**DATE:** October 10, 2005

## LINCOLN CITY/LANCASTER COUNTY PLANNING STAFF REPORT

for September 28, 2005 PLANNING COMMISSION MEETING

- PROJECT:** Miscellaneous #05016  
*North 56<sup>th</sup> Street and Arbor Road: Substandard and Blight Determination Study*
- PROPOSAL:** Mark Hunzeker, on behalf of Developments Unlimited has forwarded a request to review the *North 56<sup>th</sup> Street and Arbor Road: Substandard and Blight Determination Study* and to recommend the Redevelopment Area be declared substandard and blighted.
- CONCLUSION:** The North 56<sup>th</sup> Street and Arbor Road Redevelopment Area qualifies as substandard and blighted within the definition set forth in the Nebraska Community Development Law, NEB REV STAT § 18-2103, as determined by the *North 56<sup>th</sup> and Arbor Road: Substandard and Blight Determination Study*. The Substandard and Blight Determination Study is consistent with the redevelopment and revitalization activities identified in Lincoln-Lancaster County 2025 Comprehensive Plan.

<b>RECOMMENDATION:</b>	Finding that there is a reasonable presence of substandard and blighted conditions in the Redevelopment Area as per § 18-2103 (11) Nebraska Revised Statutes.
------------------------	--

### **GENERAL INFORMATION:**

- LOCATION:** An area generally bounded by N. 70<sup>th</sup> Street on the east, N. 40<sup>th</sup> Street on the west, either side of Interstate 80, between Bluff Road on the north and Salt Creek on the south, except the Bluff Road Landfill Facility.
- PURPOSE:** Nebraska Community Development Law, NEB REV STAT § 18-2109 requires the Planning Commission to review whether an area is substandard and blighted. A recommendation of the Planning Commission is required to be provided to the City Council prior to a redevelopment area being declared blighted and substandard.
- LEGAL DESCRIPTION:** See Appendix.

## **COMPREHENSIVE PLAN SPECIFICATIONS:**

The Comprehensive Plan identifies a variety of future land uses within this study area. Future land use designations include Urban Residential, Commercial, Environmental Resources, Industrial, a site specific Moderate to Heavy Industrial area, and a site specific Light Industrial/Employment Center area.

“Maximize the community’s present infrastructure investment by planning for residential and commercial development in areas with available capacity. This can be accomplished in many ways including encouraging appropriate new development on unused land in older neighborhoods, and encouraging a greater amount of commercial space per acre and more dwelling units per acre in new neighborhoods.” (P. F 17)

“Encourage mixed-use redevelopment, adaptive reuse, and in-fill development including residential, commercial and retail uses.” (P. F 18)

“Preserve and enhance entryway corridors into Lincoln and Capitol View Corridors.” (P. F 19)

### **“Commercial and Industrial Development Strategy**

The commercial and industrial development strategy presented below seeks to fulfill two notable objectives: (1) the approach is designed to provide flexibility to the marketplace in siting future commercial and industrial locations; while at the same time (2) offering neighborhoods, present and future home owners, other businesses, and infrastructure providers with a level of predictability as to where such employment concentrations might be located. Balancing these two objectives in a meaningful way will require diligence, mutual understanding, and an ongoing planning dialogue.” (P. F 37-38)

“Encourage renovation and reuse of existing commercial centers. Infill commercial development should be compatible with the character of the area and pedestrian oriented.” (P. F 49)

“Maintain and encourage retail establishment and businesses that are convenient to, and serve, neighborhood residents, yet are compatible with, but not intrusive upon residential neighborhoods.” (P. F 49)

“Encourage efforts to find new uses for abandoned, under utilized or “brownfield” sites that are contaminated.” (P. F 49)

“Public infrastructure — including roads, water, sewer, parks, schools, libraries — is essential to the health, safety and welfare of the community. As the community grows, it is desirable that these systems and facilities be developed concurrently, — that is, at the same time— with that growth.” (P. F 154)

## **ANALYSIS:**

1. This is a request to determine whether the North 56<sup>th</sup> Street and Arbor Road Redevelopment Area should or should not be declared substandard and blighted per § 18-2103 (11) Nebraska Revised Statutes. After an area is declared substandard and blighted, the City may proceed with the preparation and approval of a Redevelopment Plan. Redevelopment activities may include utilizing Tax Increment Financing (TIF) from private development to pay for public infrastructure and improvements.
2. A Consultant was hired by Developments Unlimited to conduct the study to determine whether or not there was a presence of substandard or blighting conditions in the study area per § 18-2103 (11) Nebraska Revised Statutes.

3. The Redevelopment Area comprises 1,873.3 acres. According to the zoning district categories identified in the Blight Study, approximately 76% of the land is either vacant, agricultural, or acreages, 10% is public right-of-way, and 14% is in commercial or industrial uses. (Page 7)
4. According to the Blight Study, there are 11 single family homes (average age 72 years) and 15 non-residential structures (average age 12 years) in the study area. There are 31 accessory structures in the study area. (Pages 9-10) Other than evaluating the year of construction, a detailed exterior survey of the condition of the each structure was not undertaken.
5. The majority of the land within the Redevelopment Area is not within the City of Lincoln corporate limits.
6. Mark Hunzeker, attorney for Developments Unlimited, noted in his September 8<sup>th</sup>, 2005 letter that the purpose of the blight study is “to provide visible, easily accessible sites for residential, commercial and industrial/employment center uses.”
7. A Change of Zone, Preliminary Plat and Annexation Agreement for the Northbank Junction subdivision development, located in the southwest portion of the study area is pending City Council review and hearing. This development proposes additional urban residential and commercial land uses, that are not part of the land use calculation shown above in Item 3.
8. While, Northbank Junction is located within the blight study area, city staff does not intend to include planned residential subdivisions in new growth areas within designated redevelopment areas in order to pay for internal improvements. Northbank Junction may not necessarily be included in a larger TIF district to generate revenues for infrastructure improvements to the larger commercial and industrial area.
9. The applicant, Developments Unlimited, has proposed a several hundred acres of commercial and industrial development on the north side of Interstate 80, west of N. 56<sup>th</sup> Street (Highway 77). Over 225 acres were included in the Future Service Limit and designated as industrial as part of Comprehensive Plan Amendment #05009 approved on June 20<sup>th</sup>, 2005.
10. The majority of the study area is located outside the corporate limits of the City of Lincoln, thus urban utilities and services such as water and sewer are not currently available in the study area.
11. All of the land is within the City’s Future Service Limit (FSL), except for a portion that is east of N. 40<sup>th</sup> Street, between Bluff Road and I-80. The FSL is the boundary reflecting where urban services are to be provided in the future. Today, water and sewer services are provided by private on-site systems within the study area.
12. The applicant has proposed the add the land northeast of N. 40<sup>th</sup> & I-80 to the Future Service Limits and have it designated for future industrial and commercial development with

a small area of residential at south of Bluff Road. This blight study is proposed by the applicant as part of their plan to develop the area north of Interstate 80, which is also why the additional land outside of the FSL is included in the blight study by the applicant. The determination of the expansion of the Future Service Limit is being reviewed separately.

13. A sizeable portion of the study area is designated Tier I Priority A, which indicates that urban utility and services are planned to be provided by the year 2014. Tier I Priority B (i.e., approximately 2014-2025) and Tier II (i.e., beyond 2025) are currently designated for the western third of the study area. This timeline is not static and may change in the future.
14. The Blight Study states the area has developed without adequate land subdivision review and planning. The result is the existence of piecemeal development, the creation of oversized lots and irregular shaped parcels, parcels without adequate consideration for proper design, drainage, or future streets and utilities, interior lots without access to public streets, residential uses mixed in with non residential uses, and businesses without street addresses reflective of their location. (Page 12)
15. The Blight Study asserts that the ownership diversity and patterns, as well as the unusual condition of condominium ownership of land parcels, complicates assemblage of land for redevelopment purposes. (Page 12)
16. The Blight Study identified an unsafe site condition consisting of contamination from a leaking underground petroleum storage tank at the northeast corner of North 56<sup>th</sup> Street and Arbor Road.
17. A **substandard** area is defined in the Nebraska Revised Statutes as containing a predominance of buildings or improvements with at least one of four conditions present:
  1. Dilapidation/deterioration
  2. Age or obsolescence
  3. Inadequate provision for ventilation, light, air, sanitation or open spaces
  4. a) High density of population and overcrowding; or  
b) The existence of conditions which endanger life or property by fire and other causes; or  
c) Any combination of such factors, is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, and crime, and is detrimental to the public health, safety, morals or welfare.
18. According to the Blight Study, the area qualifies as **substandard** because several of the factors were found to be present in the study area. (Page 18)
19. A **blighted** area is defined in the Nebraska Revised Statutes as having the presence of one or more of twelve of the following conditions:
  1. A substantial number of deteriorated or deteriorating structures;
  2. Existence of defective or inadequate street layout;
  3. Faulty lot layout in relation to size, adequacy, accessibility or usefulness;
  4. Insanitary or unsafe conditions;

5. Deterioration of site or other improvements;
6. Diversity of ownership;
7. Tax or special assessment delinquency exceeding the fair value of the land;
8. Defective or unusual conditions of title;
9. Improper subdivision or obsolete platting;
10. The existence of conditions which endanger life or property by fire or other causes;
11. Any combination of such factors, substantially impairs or arrests the sound growth of the community, retards the provision of housing accommodations or constitutes an economic or social liability;
12. Is detrimental to the public health, safety, morals, or welfare in its present condition and use; and in which there is at least one of the following conditions:
  - a) Unemployment in the designated blighted area is at least one hundred twenty percent of the state or national average;
  - b) The average age of the residential or commercial units in the area is at least 40 years;
  - c) More than half of the plotted and subdivided property in the area is unimproved land that has been within the City for 40 years and has remained unimproved during that time;
  - d) The per capita income of the designated blighted area is lower than the average per capita income of the city or City in which the area is designated; or
  - e) The area has had either stable or decreasing population based on the last two decennial censuses.

20. According to the Blight Study, the consultant determined that **eight** of the blighting factors were present in the study area. (Page 18)

21. The **eight** blighting factors found to be present in the study area include:

- # Existence of defective or inadequate street layout;
- # Faulty lot layout in relation to size, adequacy, accessibility, or usefulness;
- # Insanitary or unsafe conditions;
- # Diversity of ownership;
- # Defective or unusual conditions of title;
- # Improper subdivision or obsolete platting;
- # Deterioration of site or other improvements; and,
- # Conditions which endanger life or property by fire and other causes.

22. The Substandard and Blight Determination Study is consistent with revitalization activities outlined in the Lincoln-Lancaster County 2025 Comprehensive Plan. Sites within the study area meet the locational and land use considerations for new employment centers and industries seeking to expand or locate in Lincoln. Parts of the area fulfill a number of key locational criteria for industries the community is targeting.

23. It is the conclusion of the Consultant that sufficient conditions and factors meet the criteria of substandard and blight as evidenced in the Blight Study. These factors present a serious barrier to the planned and coordinated development of the area, have created an environment that negatively impacts private sector investment in the area, and serve as a detriment to the overall healthy economic and physical growth of the community. The findings of this Substandard and Blight Determination Study find this area eligible for designation as substandard and blighted. (Page 20)
24. The Blight Study is on file with the Urban Development Department and the Planning Department.

Prepared by:

Duncan L. Ross, AICP  
441-7603, [dross@lincoln.ne.gov](mailto:dross@lincoln.ne.gov)  
Planner

**DATE:** September 20, 2005

**APPLICANT:** Mark Hunzeker on behalf of Developments Unlimited  
1045 Lincoln Mall, Suite 200  
Lincoln, NE 68509  
Phone: 476-7621

**CONTACT:** Wynn Hjermstad  
Urban Development Department  
808 P Street, Suite 400  
Lincoln, NE 68508  
Phone: 441-7606

Darl Naumann  
Economic Development Aide/ Office of the Mayor  
555 S. 10<sup>th</sup> Street, Suite 208  
Lincoln, NE 68508  
Phone: 441-7514

## Legal Description

### Appendix

Lots 3 and 12, Irregular Tracts located in Section 20; also Lot 11, Irregular Tracts located in the Southeast Quarter and the Southeast Quarter of the Northwest Quarter of Section 20; also an irregular tract located in the Southwest Quarter of the Northeast Quarter of Section 20; also an irregular tract located in the Southwest Quarter of the Northwest Quarter of Section 20; also an irregular tract located in the Northwest Quarter of the Southwest Quarter of Section 20; also an irregular tract located in the Southwest Quarter of the Southwest Quarter of Section 20; also Lots 3, 10, 17, 19, 24, 27, 31, 32, 35, 37, 40, 42, and 43, Irregular Tracts in Section 28; also a tract of land located in Lot 38, Irregular Tracts, in the Southwest Quarter of Section 28 and more particularly described by metes and bounds as follows: Beginning at the Southwest corner of said Lot 38, Irregular Tracts; thence North 00 degrees 17 minutes 49 seconds West, (assumed), on the West line of said Lot 38, a distance of 437.57 feet; thence South 89 degrees 59 minutes 26 seconds East, a distance of 1,177.81 feet; thence South 07 degrees 20 minutes 38 seconds East, a distance of 68.14 feet; thence South 01 degrees 08 minutes 01 seconds East, a distance of 81.19 feet; thence South 89 degrees 32 minutes 39 seconds East, a distance of 189.61 feet; thence South 00 degrees 00 minutes 004 seconds West, a distance of 288.90 feet; thence North 89 degrees 55 minutes 31 seconds West, a distance of 1,315.45 to the point of beginning. . . ; also Lots 2, 7, 11, 23, 26, 28, 29, 30, 31, 32, 33, 35, 36, 37, and 38, Irregular Tracts in Section 29; also Tract for Hiway located in the Northwest Quarter of Section 29 and .76 acres in the Northwest Quarter and Lot 6 in the Northwest Quarter and Lot 3 in the Northwest Quarter of Section 29, except the West 50 feet and the North 70.01 feet thereof; also Lots 1 and 2, Finigan Brothers Addition, Lancaster County, Nebraska; also Lots 10, 11, 12, and 29, Irregular Tracts in Section 32; also an irregular tract located in the Southwest Quarter of the Northwest Quarter of Section 32; also an irregular tract in the Northwest Quarter of the Northwest Quarter of Section 32; also the North ½ of the Southwest Quarter of Section 32; also that portion of the North ½ of the Southwest Quarter of Section 32 lying north of Salt Creek; also Lot 29, Irregular Tracts in the Northwest Quarter of Section 33, excepting the road; also that portion of Lot 28, Irregular Tracts in the Northwest Quarter of Section 33 located north of Salt Creek; also that part of the east 60 feet of Lot 1, Irregular Tracts, Section 31, located north of Salt Creek; also the east 60 feet of Lot 5, Irregular Tract in the Northeast Quarter of Section 31; also the east 60 feet of a tract of land located in Lot 37 of Irregular Tracts in the Southeast Quarter of Section 30; also the east 60 feet of Lot 61 in the Northeast Quarter of Section 30; also the east 60 feet of the Northwest Quarter of the Northeast Quarter & Lots 24, 25, 26, 32, 56, & 57 in the North ½ of Section 30; also the east 60 feet of Lot 8 in the Southeast Quarter of Section 19; also the east 60 feet of the North ½ of the Southeast Quarter of Section 19; also east 60 feet of the South ½ of the Northeast Quarter of Section 19. All situated in Township 11 North, Range 7 East of the 6<sup>th</sup> P.M. Lancaster County, Nebraska. Also the following condominium units: Units A, B, C, and D, Arbor Road Condominium (AKA Parrott Addition), Lancaster County, Nebraska; Units 1 through 6, Arbor Road Second Addition Condominium, Lancaster County, Nebraska; Units A through G, Knaub Business Park, Lincoln, Lancaster County, Nebraska; and Units 1 through 3, BTW Business Park, Lancaster County, Nebraska.



## MISCELLANEOUS NO. 05016

### **PUBLIC HEARING BEFORE PLANNING COMMISSION:**

September 28, 2005

Members present: Krieser, Taylor, Pearson, Larson, Strand, Carroll, Esseks, Sunderman and Carlson.

Staff recommendation: A finding of conformance with the Comprehensive Plan.

Ex Parte Communications: None.

Additional information submitted for the record: Steve Henrichsen of Planning staff submitted two letters in support, one from Noel Parrott of Wapiti Enterprises, the owner of several parcels in the area; and one from Harlan Baehr, owner of Dustrol, Inc., which owns property east of 56<sup>th</sup> Street, south of Arbor Road, a company specializing in recycling and asphalt concrete pavement with 40 employees.

### Proponents

**1. Darl Naumann, Economic Development Director of Lincoln and Lancaster County,** presented the blight study for North 56<sup>th</sup> and Arbor Road. This is the conclusion of nine months of work with the business owners and developers on North 56<sup>th</sup> Street. The city was approached to talk about the conditions on North 56<sup>th</sup> Street and, just like the solution to West "O" Street, the conclusion was that the best available remedy to blight and substandard areas is to do targeted development. Two experts were retained to do the blight study, Julie Post and Jim Caruso. The boundaries of the study include the land between North 40<sup>th</sup> and North 70<sup>th</sup> Streets lying south of the interstate and between North 40<sup>th</sup> and Hwy 77 from I-80 to approximately 1/4 mile south of Bluff Road. The study finds that the development which occurs, without the benefit of comprehensive planning, public utilities and adherence to land subdivision regulations, meets the criteria of substandard and blight according to relevant state statutes. The study further concludes that authority should be granted to proceed with preparation of a redevelopment plan. This presents an opportunity to provide visible easy access for residential, commercial and industrial development for these centers.

Naumann went on to explain that redevelopment tools are enhanced by a blight and substandard designation. Other funding sources can be used as well as tax increment financing (TIF).

Larson inquired whether all of the land is in the city limits. Naumann advised that some is in the city limits and some in the county. In order for it to be eligible for TIF, it would all have to be annexed into the city.

Esseks inquired whether all of the land is going to be in the service limit area. Naumann advised that there are two designations that will go into this area. The future service limit does extend to most of the development area included in the blight study. It does have a ridge line halfway through north of the interstate and there is a designation that shows that as a future development area if we have a large industrial development that wants to locate there. Most of it is in the future service limit and it has already been targeted in Tier I.

Carlson asked for an explanation of “targeted development area” because it is his understanding that the state requires that blight studies and blight activities be done as a result of blight as opposed to potential development. Naumann explained that the redevelopment area included is a large enough area (1800 acres) that includes the blight. You have to make it large enough for the TIF to give you revenue to alleviate the blight in the other areas.

Carlson observed that this seems different because 76% of the land is vacant or agricultural acreages. Naumann observed that 64% of the West “O” Blight Study was vacant land. Since the approval of that blight study, at least six developers have come forward to talk about developing on those sites.

Carlson indicated that he is on board in terms of creating future development, but wants to address the blight study. There are 11 single family homes with an average age of 72 years, and 15 nonresidential structures of 12 years. What do we typically see in a blighted area? **Julie Post** explained that there is a lot of criteria that goes into blight and the requirement is to meet one or more. Bad buildings would be criteria in some areas, but this area has a lot of relatively new development, specifically commercial, and that development leads it to the blight designation because it is not happening in a coordinated fashion. This is the law so that cities can plan their communities. The blight designation would give the opportunity for a redevelopment plan and to do proper planning, plus plan the areas that have not yet undergone much development. TIF is not only a financing tool, but also a development and planning tool. Some states do not even require a blight criteria. The law is very broad and within the statute it says it should be broadly interpreted. You have to meet one or more criteria. In this case, it is lack of infrastructure – poor water, no sewer. That is the substandard and blighting criteria of this area.

**Jim Caruso** added that state law is very clear in laying out the criteria for blighted and substandard. We typically view substandard and blighted in context of buildings. Our experience in this community, until the Waverly blight study and West “O” blight study, looked at it in the sense of the buildings and whether they were substandard and blighting on the landscape, but state law is broad enough that it allows you to look at lands in the context of this study. We looked at what happened in the area that is built, i.e. sanitary facilities and lack thereof; and those that are in place have some serious issues. You can make the case that if development were to occur in those areas not yet developed, that the same things would happen because you don’t have the necessary utilities. You need to make that area large enough so that there can be sufficient TIF generated that will in fact make the area developable. Caruso feels confident from his review and his interpretation of the state law that this area does in fact meet the standards that have been set forth.

Carlson suggested that if in the future, the city wanted to grow into an area that had acreage development and therefore represents a complicated effort to plan to urbanize, would that be appropriate to be declared blighted because it was difficult to develop? Caruso’s response was that it would have to meet the state statute. He does not have enough information on that scenario but in the context of this area, he would say it absolutely meets the criteria.

Pearson agreed that typically we look at buildings and structures as blighted and that is why she thought West “O” made sense. To look at an agricultural landscape and say that it is blighted is a stretch for her. Are we then saying that AG land is blighted land? Caruso’s response was, “no”. But if you look at the area east of 56<sup>th</sup> and I-80, it is blighted. When you look at the lack of utilities and the condition you can make that claim. There is nothing in state law that says it has to be 3 acres, 10 acres

or 47 acres, but it has to be logical and large enough to generate sufficient resources to make the improvements necessary.

Pearson sought clarification that everyone who owns land inside this mapped area has been notified and agrees to being blighted. Caruso believes that everyone has been notified. They had a public meeting and discussed what is being proposed.

Taylor observed that there was a common thread in the areas recently blighted, i.e. West "O" Street and 48<sup>th</sup> & "O" Street, and that common thread is the good it would mean to the city. And therefore, private enterprises were able to profit off of a pronounced need for the city. There was acknowledgment that there was something that needed to be done for a corridor of our city. Taylor does not see that common thread in this area. What is the common thread? How is it going to benefit the city to the point that the city should use TIF? Post suggested that economic development is viewed as a public purpose. It increases the tax base and the revenue stream to the city. That is the underlying reason for this, but there are other reasons as well, such as not allowing haphazard development which costs the city to correct. That is a public purpose. That is a cost savings. In blighting areas that are developed, "ugly" development is not a criteria of blight.

Caruso observed that developers have come forward and have said that there is a need for this in that area and that development would occur. There are landowners who have said that development would have occurred faster, more intense, had there been utilities in place. His charge was to take state law and to make a case that this area meets the criteria set forth in state law. The city has determined in discussions with the developers that it made sense to go forward to investigate that and to bring that forward through the process. And then to authorize the preparation of a redevelopment plan, and it is within that redevelopment plan that the necessary tests are made with reference to cost benefit. Do I think this land would develop given TIF? Based on discussions he has had, Caruso believes it will. This area is an interchange on a major interstate. It would seem that development should have occurred earlier and it has not because of the lack of utilities. The conditions existing because of the lack of utilities meets the test of the state law.

Esseks inquired whether there is any risk to the landowner with a blight designation. Will their investments in their property be jeopardized? Caruso does not believe so. He believes that their property values will be enhanced by the development that occurs as a result of this blight designation. They will have opportunities to sell, if they desire. The ability to attract tenants will be heightened by this designation.

Pearson wondered whether an area has to be blighted in order to get funding. Caruso concurred. CDBG funds would also be available if it has a blight determination. The only other way to get the improvements is through the CIP. This gives an opportunity to use that increment that comes from those new developments that otherwise would not have been there had you not done this to raise the resources.

Pearson inquired whether this development then moves in front of other CIP projects. Caruso could not address that issue. The tax increment would be generated and could only be used within the blighted area and any other areas adjacent that would be declared blighted.

**2. Mark Hunzeker** appeared in support on behalf of a number of landowners who own property within this area of study. He has worked with a number of the property owners in this area for in excess of 10 years. They have tried very hard to find a way to get improvements made to enable the area to develop in accordance with the Comprehensive Plan. There is a substantial amount of development which occurred lacking the public utilities and the ability to get potable water or sewer, much of which has occurred in a way which is underutilizing this property considerably. The development that you see out there reflects the under-valuation of this land relative to what it ought to be at an interstate interchange in a community the size of Lincoln. We are soon to have a 6-lane interstate; we have 4-lane Hwy 77; there has been substantial interest in development of this area; and he believes, as the study points out, that the development that has occurred in this area and the conditions which exist are a deterrent to further development without the ability to utilize some of the tools available to get sewer and water extended to this area and possibly improve some roadways. He agreed that this is a little bit outside the usual box Lincoln has operated within as far as blight declarations, but this will result in substantial ability to utilize those tools to supplement the CIP funds (not substitute) that are available in order to get some of these things accomplished. Whether or not, and to what extent those things can be done, will depend greatly upon the approval of a redevelopment plan for this area. Hunzeker believes there will be substantial residential, industrial and commercial components to the redevelopment plan. Arbor Road will become a fairly significant roadway, so there are lots and lots of possibilities here and we think good opportunities if we can alleviate the conditions which are creating a rather unplanned and haphazard development pattern.

Hunzeker also pointed out that the lack of water service is a substantial fire hazard. There is one user in this area which was required as a condition of construction to construct a 26,000 gallon tank to store water for fire fighting, and they are in need of expansion. The expense of doing that is very significant. There are also a couple of lagoons that are not functioning well because the uses don't generate a lot of sewage.

**3. Bruce Bohrer** appeared on behalf of the **Lincoln Chamber of Commerce**, in support for purposes of planned development. The Chamber believes that this is needed. He agreed that it is a little bit atypical, but in some ways that is a good thing. The Chamber looks at this as something we need to do in order to seize upon economic development opportunities. He commended the Mayor and others that have been involved in this process for being more proactive in this area.

There was no testimony in opposition.

#### Staff questions

Larson observed that the infrastructure would be built with TIF, but the proposal for development probably would be piecemeal. How do you do that? Naumann stated that it would have to be a large enough user to generate enough TIF funds to bring the sewer and water to that point. If we can bring it adjacent to that point, then it would be up to the developer to take it to their site.

Pearson inquired as to how much taxpayer money would be used for infrastructure financing. TIF is generated from the use so that's not taxpayer funds. Naumann stated that it is really the increment. Under TIF, you set a base, which is the current tax level, and that continues to go to the entities collecting the taxes, and that will always happen. TIF is development on top of that—if there is increased

value, that increment stays with the property. It is very geographical and very targeted to the area and stays with the development in that area. There is no additional taxpayer money going to the infrastructure.

Pearson stated that she would like to have a new word for “blight”. Naumann agreed and would prefer it be “targeted development”.

Carlson commented that the thing attractive about TIF is that it represents money that would not otherwise be generated. Typically we have always used TIF as a rehabilitation tool and not as a new development tool. TIF is new money. Is there an administrative limit? Wynn Hjermstad of Urban Development indicated that there is a limit as to what percent of the city can be declared blighted and they do monitor it. That is the only administrative limitation and Lincoln is well below that. The older parts of town don't need to worry.

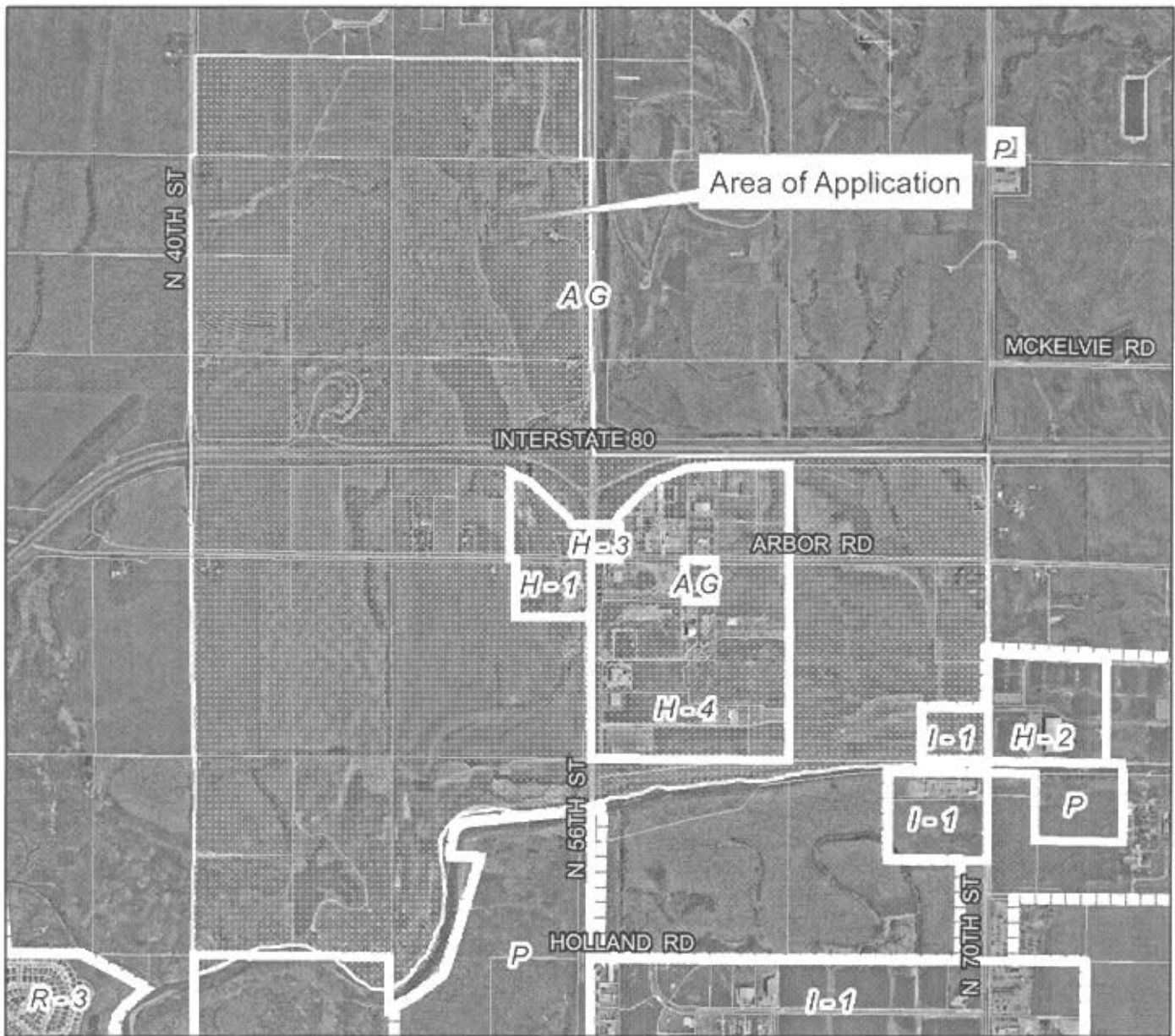
**ACTION BY PLANNING COMMISSION:**

September 28, 2005

Strand moved a finding of blighted and substandard, seconded by Larson.

Larson commented that this is an important intersection and an important entrance to the city; it is just a natural place for development and this will allow the city to plan the development in an orderly fashion instead of haphazard.

Motion carried 8-1: Krieser, Taylor, Larson, Strand, Carroll, Esseks, Sunderman and Carlson voting ‘yes’; Pearson voting ‘no’. This is a recommendation to the City Council.



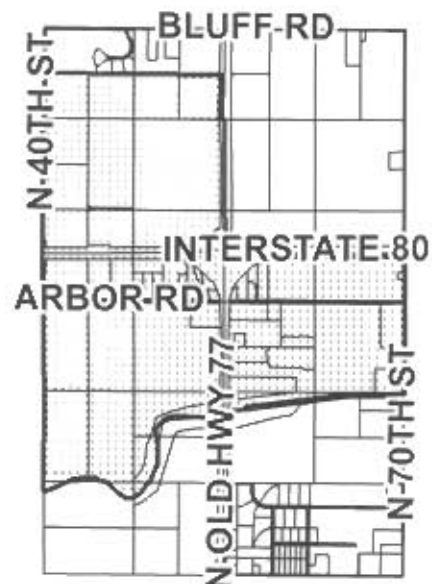
2005 aerial

## Miscellaneous #05016 N. 56th & Arbor Rd.

### Zoning:

R-1 to R-4	Residential District
AG	Agricultural District
AGR	Agricultural Residential District
R-C	Residential Conservation District
O-1	Office District
O-2	Suburban Office District
O-3	Office Park District
R-T	Residential Transition District
B-1	Local Business District
B-2	Planned Neighborhood Business District
B-3	Commercial District
B-4	Unicon Center Business District
B-5	Planned Regional Business District
H-1	Interstate Commercial District
H-2	Highway Business District
H-3	Highway Commercial District
H-4	General Commercial District
I-1	Industrial District
I-2	Industrial Park District
I-3	Employment Center District
P	Public Use District

Six Square Miles  
 Sec. 20 T11N R7E  
 Sec. 21 T11N R7E  
 Sec. 28 T11N R7E  
 Sec. 29 T11N R7E  
 Sec. 32 T11N R7E  
 Sec. 33 T11N R7E



014



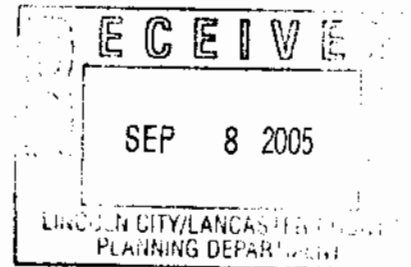
**CITY OF LINCOLN  
NEBRASKA**

**MAYOR COLEEN J. SENG**

[www.ci.lincoln.ne.us](http://www.ci.lincoln.ne.us)

Urban Development Department  
Marc Wullschleger, Director  
Haymarket Square  
808 "P" Street  
Suite 400  
Lincoln, Nebraska 68508  
402-441-7606  
fax: 402-441-8711

September 7, 2005



**Marvin Krout, Director**  
City of Lincoln-Lancaster County Planning Department  
555 S. 10<sup>th</sup>  
Lincoln, NE 68508

Dear Marvin:

Enclosed is the North 56<sup>th</sup> Street and Arbor Road Substandard and Blight Determination Study. The Study was completed in August, 2005 by Julie Poykko-Post, AICP and Jim Caruso, AICP at the request of Mark Hunziker. Also enclosed is a letter from Mark Hunziker, on behalf of his client requesting the Study be considered by the Lincoln Lancaster County Planning Commission for conformity with the Comprehensive Plan.

Please forward the Study to the Planning Commission for their earliest consideration. My understanding is that it should be on the September 28, 2005 Planning Commission agenda.

If you have questions or need additional information, please contact Troy Gagner at 441-7862 or by e-mail at [tgagner@lincoln.ne.gov](mailto:tgagner@lincoln.ne.gov).

Sincerely,

**Wynn S. Hjermstad, AICP**  
Community Development Manager

cc: **Marc Wullschleger, Urban Development Director**  
**Troy Gagner, Economic Development Coordinator/Project Manager**  
**Darl Naumann, Economic Development Coordinator, Mayor's Office**

enc.

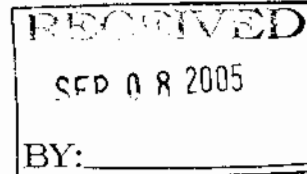
**Pierson|Fitchett**  
LAW FIRM

1045 Lincoln Mall  
Suite 200  
P.O. Box 95109  
Lincoln, NE 68509  
(402) 476-7621  
fax (402) 476-7465  
[www.pierson-law.com](http://www.pierson-law.com)

Thomas J. Fitchett  
Mark A. Hunzeker  
William G. Blake  
Peter W. Katt  
William C. Nelson  
David P. Thompson  
Patrick D. Timmer  
Randy R. Ewing  
Shanna L. Cole  
Jason L. Scott

Gary L. Aksamit  
of Counsel

September 8, 2005



Marc Wullschleger  
City of Lincoln  
Department of Urban Development  
808 P Street, Suite 400  
Lincoln, NE 68508

Re: Blight Study N. 56<sup>th</sup> & Interstate 80 area

Dear Marc:

Pursuant to our discussions with you, Darl Naumann, Marvin Krout, and other city staff, our client, Developments Unlimited, retained Julie Poykko-Post and Jim Caruso to prepare a blight study of the area surrounding the intersection of North 56<sup>th</sup> Street and Interstate 80. The boundaries of the study include the land between North 40<sup>th</sup> Street and North 70<sup>th</sup> Street lying south of the Interstate, and between North 40<sup>th</sup> Street and Highway 77 from I-80 to approximately one-quarter mile south of Bluff Road.

The study found that development which is occurring in the general area, without the benefit of comprehensive planning, public utilities and adherence to land subdivision regulations, presents itself as an economic liability. The area meets the criteria of substandard and blighted according to the relevant state statutes, and that those factors and conditions present a serious barrier to planned and coordinated development of the area. The study further finds that authorization should be granted to proceed with the preparation of a redevelopment plan in accordance with the Nebraska Community Development Law.

As we have discussed in our meetings, this area presents an opportunity for the City of Lincoln to provide visible, easily accessible sites for residential, commercial and industrial/employment center uses. Use of the City's redevelopment tools could transform the area from its current state into an attractive, vibrant area..



Mark Wullschleger  
September 8, 2005  
Page 2

Please review the attached blight study and forward it to the Planning Department for scheduling on the Planning Commission and City Council agendas for approval.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark A. Hunzeker", written in a cursive style.

Mark A. Hunzeker  
For the Firm

MAH:la  
Enclosure

(G:\WPData\MH\JTS LLC - Developments Unlimited 5522.001\Developments Unlimited - Wullschleger 9-7-5.wpd)

# DUSTROL INC.

BOX 29493 LINCOLN, NE 68529 402-466-1184  
FAX 402-466-5965

September 23, 2005

City of Lincoln, Lancaster County  
Planning Commission  
555 South 10th Street  
Lincoln, NE 68508

RE: North 56th Street and Arbor Road Substandard and Blight Determination Study

Dear Members of the Planning Commission:

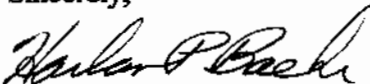
Dustrol, Inc. owns property in the above mentioned Study area. We are located East of North 56th Street and South of Arbor Road, 7990 North 56th Street. Dustrol, Inc. is a Kansas Corporation with its home office in Towanda, KS. We opened an area office in the Lincoln area in 1992 and have been at the above location since 1996. We are a highway construction company specializing in the recycling of asphalt concrete pavements. We currently employ about 40 employees during the construction season.

Dustrol, Inc. is very interested in receiving City of Lincoln services, such as sewer and water. We realize that to receive these services Dustrol, Inc.'s property will have to be annexed into the City of Lincoln. We currently have our well for water, which has a very bad taste to it and have a sewer lagoon for waste water treatment. This requires a substantial amount of maintenance to keep it working properly.

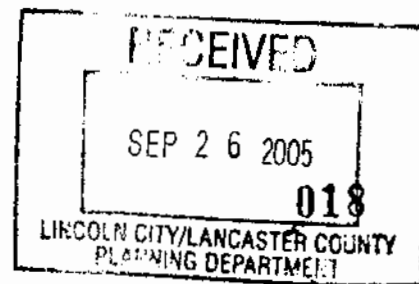
Dustrol, Inc. has been a member of the Star City Combine for about 8 years, in an effort to extend City of Lincoln Services to this area. The problems are that it is extremely expensive for a small group of owners to finance the construction of these trunk lines of water and sewer for us to get these services.

We respectfully request that you approve the North 56th Street and Arbor Road Substandard and Blight Determination Study when it appears on your upcoming agenda. Dustrol, Inc. will look forward to annexation to the City of Lincoln and being able to utilize the City of Lincoln Sewer and Water services.

Sincerely,



Harlan P. Baehr  
Dustrol, Inc.



SUPPORT

ITEM NO. 3.1: MISCELLANEOUS NO. 05016  
(p.141 - Public Hearing - 9/28/05)



"Trailer Sales Inc"  
<trailersalesinc@atttel.net>  
09/28/2005 12:38 PM

To <plan@lincoln.ne.gov>  
cc  
bcc

Subject 56 & 180 Study

This is to confirm that Noel Parrott is in support of designating the above area as blighted. As president of Wapiti Enterprises, which owns several land parcels in the area, he has worked for many years to bring city utilities to the section of Lincoln this study concerns.

Mr. Parrott may be contacted for comment at (402) 432-2500. Due to an illness he will be unable to attend the planning meeting.